



**Leon County, Florida
Community Development Block Grant
(CDBG)**

Housing Assistance Plan

**Approved by the Leon County Board of County
Commission, ~~February 19, 2002~~ January 25, 2005**

LEON COUNTY, FLORIDA CDBG HOUSING ASSISTANCE PLAN

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I. INTRODUCTION

This manual is a guide for operating the housing rehabilitation related aspects of the Leon County's Community Development Block Grant (CDBG) program. The responsibilities of the ~~Affordable~~ Housing Coordinator, the homeowner, construction contractor and the Housing Rehabilitation Specialist are specifically addressed in this manual. The major focus of this manual is on housing rehabilitation including demolition/clearance of a dwelling. Relocation of households is also covered to a limited extent. The Anti-displacement Policy should be consulted if permanent displacement or permanent relocation becomes necessary.

The goal for the CDBG program is to rehabilitate substandard dwelling units located in the unincorporated areas of Leon County and to bring them up to ~~minimum acceptable living standard~~. ~~This standard is~~ the HUD Section 8 Minimum Housing Quality Standard (HQS), Leon County Minimum Housing Code, and the Florida Building Code when applicable. This goal will be achieved through the use of CDBG funds to contract for the required rehabilitation, or for demolition and replacement of the existing dwelling when rehabilitation is not feasible. The ~~rehabilitation~~ housing units to be assisted shall be owner occupied. A rental rehabilitation program is not included in this grant period.

Only very low and low ~~and moderate~~ income families or persons are eligible to receive assistance from this program. Very low and low ~~Low and moderate~~ income families means "lower income families" and "very low-income families" as defined under the Department of Housing and Urban Development (HUD) Section 8 Assisted Housing Program. A lower income family is a household whose annual income does not exceed 80 percent of the median income for the area or does not exceed 80 percent of the median income for the State, whichever is higher, as most recently determined by HUD. A very low-income family is a household whose annual income does not exceed 50 percent of the median income for the area or does not exceed 50 percent of the median income for the State, whichever is higher, as most recently determined by HUD.

Low and moderate income persons mean "members of low ~~and moderate~~ income families having incomes equal to or less than the Section 8 low-income limit established by HUD." A *very low-income person* mean "a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose."

For the sake of efficiency, the term "low income" shall hereinafter include "very low income" unless otherwise noted.

II. HOUSING REHABILITATION OBJECTIVES AND POLICIES

A. Objectives

The objectives of the County's Housing Rehabilitation Program are:

1. To encourage the revitalization of ~~very-low-to-moderate~~ low income neighborhoods through a Housing Rehabilitation Program. **The Program includes demolition and replacement on site for homes that are deteriorated to the point of being infeasible for rehabilitation.**
2. To remove unhealthy or hazardous housing conditions ~~in very-low-to-moderate~~ for low income households.
3. To preserve existing housing stock.
 4. To enable ~~very-low-to-moderate~~ low income families to rehabilitate their homes by providing financial and technical assistance to those unable to obtain private financing.
5. To reduce utility costs and to improve the comfort of ~~very-low-to-moderate~~ low income families through weatherization aspects of rehabilitation.
 6. To improve the property tax base in ~~very-low-to-moderate~~ low income neighborhoods.
7. To increase employment and training opportunities for local residents and minority persons through the provision of funds for the rehabilitation of homes.
 8. To make homes accessible to elderly/handicapped occupants as may be required by code, accessibility requirements, and as good judgement may dictate.
 9. To minimize potential negative impacts of program participation on recipients and to limit direct costs encountered because of program participation.

B. Rehabilitation Policies

It is the policy of the County's Rehabilitation Program to:

1. Assure that the Program is administered in strict conformance with the community development and rehabilitation rules and all applicable local, state and federal requirements (including equal opportunity, conflict of interest, etc.).

2. Treat all participating property owners and contractors fairly, with sensitivity and respect for their needs, and in accordance with the program rules.
3. Provide all program participants any reasonable assistance necessary to carry out the objectives of the program, bearing in mind: 1) that property owners hold the primary responsibility for maintaining their property and personal finances; 2) that contractors are primarily responsible for the quality of their work and their obligations to suppliers, creditors, subcontractors and employees; and 3) that any assistance provided must be authorized at the proper level.
10. Assure that no member of the Congress of the United States, the State of Florida Legislature, the Citizen Advisory Task Force or the local governing body or staff who have direct involvement in the Program shall share in proceeds or benefits of CDBG funded activities, unless a waiver has been obtained in accordance with state and federal law.
5. Allow some flexibility in administering the program in order to meet the Program's goals and objectives of rehabilitating each addressed dwelling to attain HUD Section 8 Minimum Housing Quality Standard, local codes, and, where applicable, the Florida Building Code. Program rules may be waived by the Leon County Board of County Commissioners when the result will be consistent with established goals and objectives, and applicable federal, state or local regulations.
11. Provide assistance to low and very low income homeowners living in substandard single family housing located in unincorporated Leon County. The County will provide technical and financial assistance as needed to rehabilitate the owner-occupied homes to meet HUD Section 8 Minimum Housing Quality Standards and the Leon County minimum housing code, in compliance with applicable requirements of the Florida Building Code and other local regulations. Mobile homes and ~~or~~ other forms of manufactured housing is ~~are~~ eligible for assistance, but, no rental or vacant property will be assisted. Exceptions may be made to provide housing rehabilitation assistance for eligible property owners to reoccupy or occupy houses that are vacant because the dwelling's condition precludes occupancy if:
 - a. The owner has owned the property for at least one year; or if not, then the owner occupied the property with its previous owner, as in the case of a parent and child living together and the child inheriting the home upon the parent's death cannot have incurred any private mortgage indebtedness within the year of application, or if he or she has, then that indebtedness must be subordinated to the SHIP, HOME, or CDBG mortgage;
 - a. The owner does not own other residential property that is or could be occupied by the owner; and
 - b. The owner agrees to abide by the requirement to occupy the rehabilitated house as his/her primary residence for the period of lien securing the rehabilitation funds beginning immediately upon completion of the rehabilitation work.

7. There will be no demolition of homes (other than removal of only a portion of the structure when necessary) and no new construction financed with CDBG funds, unless the demolition and new construction are to replace a dilapidated home that is not feasible for rehabilitation, and the construction occurs on the same property as the original structure that is being replaced. ~~Programs other than CDBG may permit reconstruction, new construction and/or demolition and are governed by the appropriate grant and contract.~~

C. Identification of Units

Housing Rehabilitation will take place only on units approved by the County and in accordance with grant requirements established by the State of Florida and H.U.D. The County will solicit applications either by placing notices in public areas throughout the County and/or by advertising in publicly circulated publications.

This program is designed for ~~Single Family Owner Occupied~~ housing units located in unincorporated areas of the County. Rental and/or vacant housing units will not be eligible under this program.

Any violation of local codes on the property being funded, which are not to be addressed with program funding (i.e., nuisance, trash, junk vehicles, etc.) shall be corrected prior to proceeding with development of the work write-up.

A former rehabilitation/replacement recipient cannot be assisted for five years from the date the deferred payment loan is signed, or for the term of the loan, whichever is longer. Applicants that have only received emergency repairs under non-CDBG programs may be eligible and shall be ranked based on criteria listed below.

The County Housing staff will review applications received to make sure they meet the eligibility requirements listed under Section V- Qualifications. Preference will be given to eligible applicants in the order of the selection criteria listed below:

1. Persons whose homes present immediate and serious threats to health and/or safety.
 - A. Very low income applicants.
 - B. Low income applicants.
2. Households who have submitted qualifying documentation and are waiting for assistance.
 - A. Very low income applicants.
 - B. Elderly (age 60 and older), and/or handicapped head of household applicants.
 - C. Households with minor children and/or handicapped members of the household.
3. Very Low Income

- A. Elderly (age 60 and older), and/or handicapped head of household applicants,
 - B. Households with minor children and/or handicapped members of the household,
 - C. All other very low-income persons and/or families
4. Low income
- A. Elderly (age 60 and older), and/or handicapped head of household applicants,
 - B. Households with minor children and/or handicapped members of the household,
 - C. All other low-income persons and/or families.
- ~~B. Moderate Income~~
- ~~B. Elderly (age 60 and older), and/or handicapped head of household applicants~~
 - ~~C. Households with minor children and/or handicapped members of the household.~~
 - ~~D. All other moderate income persons and/or families~~

The County Housing ~~Division~~ staff shall utilize the above stated criteria to rank the order of the applications received. However, the ranking may be altered in order to meet budget and time constraints (such as skipping an applicant who needs home replacement when time and funds are insufficient to provide that level of assistance) or to meet very low income assistance percentage requirements, or to maximize opportunities to leverage other funds. Geographic distribution, race, gender, religion, color, or familial status will not be used as priority factors.

D. Removal of Units from Program

The County Housing ~~Division~~ staff may remove a housing unit from the program for a change in household income, approved selection criteria, lack of funding, or for not complying with the minimum qualification procedures. If it is determined that it is necessary to remove an applicant from the program, a letter will be sent to the applicant stating the reasons for the removal. The applicant will have the right to appeal the decision as identified in the Citizen Participation Plan. (Appendix A)

III. CONFLICT OF INTEREST

Leon County's Conflict of Interest Policy is pursuant to 24 C.F.R. Section 570.489 and Chapter 112.311.3143 Florida Statutes which includes but is not limited to the following:

Adherence to rules and regulations on this matter is mandatory. All applicants that may have a business or familial relationship with a member of the local governing body, the Citizen Advisory Task Force Committee, Housing Staff, and participating construction contractors must fully disclose this relationship at the time of the application, at the point in time in which the conflict occurs and definitely before a construction contract is executed. In addition, the local governing body and the Citizen Advisory Task Force Committee (CATF) members must

disclose any relationship with an applicant and must abstain from any vote related to that applicant. All beneficiaries must be listed by name in the minutes of the CATF and commission meetings so that previously unknown conflicts may be surfaced. The list of beneficiaries must be given to the Board of County Commissioners prior to the doing the work write up. If a conflict of interest exists, those conflicts will be made public along with the final rankings based upon the criteria outlined in this plan.

Any conflict will be dealt with locally by the Leon County Board of County Commissioners. Conflict of Interest waivers will be requested of those conflicts when appropriate. Before an applicant with a potential or real conflict is given final approval for participation, the Department of Community Affairs must approve the application, in accordance with 24 C.F.R. Section 570.489. If this process is not followed, the local government and/or the applicant may be liable for returning the funds to the program.

IV. HOUSING REHABILITATION FINANCING

The Housing Rehabilitation Program provides financing to homeowners in the form of 100% Deferred Payment Loans (DPL), the amount of which shall include the accepted bid amount, contingency reserve, and various other associated costs (i.e., a title search, septic pump-out, eCounty inspections, recording fees, etc).

A. Deferred Payment Loans (DPL)

Deferred Payment Loans are conditional grants, and are provided to homeowners who are unable or unlikely to obtain conventional financing due to their income limits. The Deferred Payment Loan (DPL) involves a 0% interest security instrument (lien) requiring repayment of the loan only if within five years of the date of the DPL, the homeowner sells or transfers ownership of the rehabilitated home, ceases to use it as his/her primary residence. the homeowner does any of the following within the period of the loan agreement: (1) sells, transfers or disposes of the assisted unit (by either sale, transfer, bankruptcy or foreclosure, etc.); (2) no longer occupies the unit as his/her principal residence; (3) dies, or if a married couple, the survivor dies; or (4) refinances an existing mortgage on the home except when refinancing only to obtain more favorable terms without increasing the amount of debt above the mortgage balance due at the time of refinancing. If none of these events occurs within the period of the County's deferred payment loan, then no repayment is required and the loan will be satisfied. If one of these events occurs within the term of the loan, the loan balance shall be due to the County according to the loan repayment schedule.

The maximum CDBG DPL for an owner-occupied single-family dwelling is \$50,000 25,000. The term of the loan varies according to the amount of the loan. Loan terms are as follows:

\$0 - \$10,000.00, five years,
\$10,000.01 - \$20,000.00 ten years
\$20,000.01 and above, twenty years.

Recapture payments for a five year loan shall be in accordance with the following schedule:

- a. If during the first year, ~~O~~ne ~~H~~undred ~~P~~ercent (100%) of the loan amount.
- b. If during the second year, ~~E~~ighty ~~P~~ercent (80%) of the loan amount.
- c. If during the third year, ~~S~~ixty ~~P~~ercent (60%) of the loan amount.
- d. If during the fourth year, ~~F~~orty ~~P~~ercent (40%) of the loan amount.
- c. If during the fifth year, twenty ~~P~~ercent (20%) of the loan amount.
- d. After the end of the fifth year following the ~~substantial completion~~ date of the rehabilitation loan agreement there shall be no recapture by the County. There is no interest charged during the five years.

Recapture payments for loans of more than five years shall be based upon the same procedure, but the percentage of the loan amount due is altered according to the loan term.

For ten year loans, the repayment shall be

- a. If during the first year, one hundred percent (100%) of the loan amount,
- b. If during the second year, ninety percent (90%) of the loan amount,
- c. If during the third year, eighty percent (80%) of the loan amount,
- d. If during the fourth year, seventy percent (70%) of the loan amount,
- e. If during the fifth year, sixty percent (60%) of the loan amount,
- f. If during the sixth year, fifty percent (50%) of the loan amount,
- g. If during the seventh year, forty percent (40%) of the loan amount,
- h. If during the eighth year, thirty percent (30%) of the loan amount,
- i. If during the ninth year, twenty percent (20%) of the loan amount,
- j. If during the tenth year, ten percent (10%) of the loan amount,
- k. After the tenth year following the date of the loan agreement, no recapture.

Recapture payments for twenty year loans shall be

- a. If during the first year, one hundred percent (100%) of the loan amount,
- b. If during the second year, ninety five percent (95%) of the loan amount,
- c. If during the third year, ninety percent (90%) of the loan amount,
- a. If during the fourth year, eighty five percent (85%) of the loan amount,
- b. If during the fifth year, eighty percent (80%) of the loan amount,
- c. If during the sixth year, seventy five percent (75%) of the loan amount,
- d. If during the seventh year, seventy percent (70%) of the loan amount,
- e. If during the eighth year, sixty five percent (65%) of the loan amount,
- f. If during the ninth year, sixty percent (60%) of the loan amount,
- g. If during the tenth year, fifty five percent (55%) of the loan amount,
- h. If during the eleventh year, fifty percent (50%) of the loan amount,
- i. If during the twelfth year, forty five percent (45%) of the loan amount,
- j. If during the thirteenth year, forty percent (40%) of the loan amount,
- k. If during the fourteenth year, thirty five percent (35%) of the loan amount,
- l. If during the fifteenth year, thirty percent (30%) of the loan amount,

- m. If during the sixteenth year, twenty five percent (25% of the loan amount,
- n. If during the seventeenth year, twenty percent (20%) of the loan amount,
- o. If during the eighteenth year, fifteen percent (15%) of the loan amount,
- p. If during the nineteenth year, ten percent (10%) of the loan amount,
- q. If during the twentieth year, five percent (5%) of the loan amount,
- r. If after the twentieth year following the date of the loan agreement, no recapture of the loan amount.

~~For rehabilitation assistance paid for with CDBG and SHIP funds, the loan shall be made to the home owner at 0% interest until the first to occur of any of the following events: (1) home owner sells, transfers or disposes of the assisted unit (by either sale, transfer, bankruptcy or foreclosure, etc.); (2) home owner no longer occupies the unit as his/her principal residence; (3) home owner dies, or if a married couple, the survivor dies; or (4) if the owner refinances the home. If none of these events occurs within five years of the date of completion, then no repayment is required. If one of these events occurs within five years, the loan balance due to the County shall be according to the above schedule.~~

If repayment of the DPL becomes necessary, the principle balance according to the term of the loan will be due in full (~~prorated~~) within thirty (30) days. If the owner is unable to make such payment, the Board of County Commissioners may, at their discretion, allow repayment of the DPL over a term not to exceed ten (10) years, at a yield of not more than six percent (6%) interest per annum.

~~The maximum CDBG DPL for an owner-occupied single family dwelling is \$25,000.~~

B. Rental Rehabilitation

Rental units are not included in the CDBG program.

C. Scope of Rehabilitation Assistance

CDBG financing of housing rehabilitation is available for the following purposes:

- 1. Correcting local housing code, Florida Building Code and Section 8 Housing Quality Standard (HQS) violations;
- 2. Providing cost effective energy conserving features;
- 3. Making the dwelling accessible to handicapped and elderly occupants as necessary; and
- 4. Correcting health and/or safety violations that may be present, including repair or replacement of inadequate or malfunctioning water supply or sewage disposal facilities, replacement of dilapidated or malfunctioning stoves or refrigerators and removal of lead-based paint hazards;

New construction (adding a room, closing in a carport, etc.) is eligible for rehabilitation financing only to eliminate over-crowding, provide space for wheelchair accessibility, or to provide bathroom, necessary storage, or laundry facilities. General property improvements are eligible for program funds when necessary to obtain an adequate level

of utility, to decrease high maintenance costs, or preserve a minimal amount of aesthetic integrity. Examples of eligible general property improvements include installation of cabinets and linen closets, functional changes in a room layout, replacement of unsightly floor covering, and enclosure of a porch for use as utility room or bathroom where the dwelling does not have adequate interior space.

Any property improvements that are not covered in the County-approved construction contract or by change order must be contracted separately and paid for by the property owner. Any construction not covered in the construction contract or by change order will not be inspected by the Housing Rehabilitation Specialist.

V. OWNER QUALIFICATIONS

A. General

In order for a homeowner to be eligible for rehabilitation assistance, the following criteria must be met:

1. Total household income must not exceed the low-income limits set for the HUD Section 8 program at the time assistance is provided.
2. The owner must possess and provide proof of ownership to the property, although it may be jointly owned and the property may be mortgaged. Presumptive title for initial screening is normally evidenced by warranty deed, probated estate or divorce settlement documents which are recorded in public records. Ownership through life estate or trust is also considered acceptable for program participation in the rehabilitation category, but not for demolition and replacement. Proof of ownership will be verified by an Ownership and Encumbrance (O&E) report. Obtaining proof of clear title is an owner responsibility and eligible project expense.
3. The owner must reside in the dwelling to be rehabilitated at the time application for assistance is provided unless a waiver is granted (Section II, B.6). Both ownership and occupancy must have been in effect for a period of one year prior to application. If there is any doubt about the length of residency in the home, the applicant may be required to provide proof such as utility bills for the address in the owner's name, driver's license issued one year prior showing the address, or other similar evidence.
4. Property tax and mortgage payments must be current and ownership must not be jeopardized by any other threat of foreclosure, default or clouded title.
5. The property must be fully insured for flood insurance at the time housing repairs are made by the program, if the home is in the 100 year flood plain. The applicant is required to maintain the flood insurance for the duration of the DPL. The County may place a special assessment lien on the property to cover the County's cost of continuing insurance if the owner defaults on the requirements.

6. All applicants that may have a business or familial relationship with a member of the local governing body, the Citizen Advisory Task Force Committee, Housing Services Specialist, Housing Rehabilitation Specialist, ~~Affordable~~ Housing Coordinator or other Housing staff or Division Director and participating construction contractors must fully disclose this relationship at the time of the application, at the point in time in which the conflict occurs and definitely before a construction contract is executed.

B. Household Income

Household annual income is a combination of the gross amounts, before any deductions of earned income and unearned asset income of all household members. Annual income is income *anticipated* to be received in the 12-month period following initial determination of eligibility or reexamination of income. In determining annual income, Leon County will utilize 24 CFR, Section 5.609 which defines annual incomes as all amounts, monetary or not, which:

1. Are received by or paid on behalf of the family head or spouse, even if temporarily absent from the unit, or to any other family member; and/or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date;
3. Are derived (during the 12-month period) from assets to which any member of the family has access; and
4. Are not specifically excluded (**Appendix B**)

VI. STRUCTURAL REQUIREMENTS

A. General

In addition to owner eligibility requirements, a house is eligible for rehabilitation if it is:

1. Below Section 8 Minimum Housing Quality Standards or local housing codes; and
2. Feasible for rehabilitation. In order for a house to be considered feasible for rehabilitation, proposed construction must:
 - A. correct all violations of the local housing code and Section 8 standards;
 - B. eliminate lead-based paint hazards (Lead-based paint mitigation will be used in any rehabilitation for structures built prior to 1978 that will be assisted by the program in accordance with current Federal Regulations. The occupants will be notified of the hazards of lead-based paint, the

symptoms and treatment of lead poisoning, how to avoid poisoning, lead level screening requirements and appropriate abatement procedures);

- C. meet applicable local zoning requirements, as well as local state and federal housing code requirements for rehabilitation work or general housing use requirements.
Certain housing conditions that are not repair oriented will require the homeowner to make code improvements prior to participation in the program (i.e., nuisance, trash, environmental or health codes);
- D. leave at least 50% of the original structure based upon the formula provided in this chapter;
- E. not exceed the program costs noted in this chapter; and
- F. be made accessible to handicapped/elderly occupants, when the unit is occupied by such.
- G. be submitted to the Department of State for determination of historical significance if the unit was constructed ~~prior to 1945~~ more than 50 years prior to approval of eligibility. If it is possible that the unit is of historical significance, the cost feasibility of appropriate rehabilitation must be considered. If the Division anticipates that the cost may be within the program limits, original photographs and other information will be submitted to the Florida Department of State for a determination of historic significance and applicability of Secretary of the Interior Standards. If the home is ultimately approved, the Department of State must issue approval for the contract.
- H. be a mobile or manufactured home affixed to a permanent foundation.

B. Structural Integrity

Rehabilitation requires that at least 50% of the original structure remain after construction, based upon the following formula. Three (3) major components of the house are considered, with each component weighted to total 100% of the structural value of the house. These components and ratios are: roof - 20%, exterior walls, electrical and plumbing - 60%, and flooring system - 20%.

As an illustration, if 50% of the roof must be replaced, 50% of the walls must be replaced and 25% of the flooring system (including framing) must be replaced. The factors are then ratioed based on the 20/60/20 formula, so that 50% replacement of the roof is equal to replacing 10% of the structure, 50% replacement of the exterior walls, electrical and plumbing equals 30% replacement of the structure, and 25% replacement of the flooring system equals 5% replacement of the structure. Thus, replacement equals 10%, plus 30%, plus 5%, or total of 45% of the structure. This leaves 55% of the original structure, indicating that the structure is feasible for rehabilitation.

This calculation will be performed by the Housing Rehabilitation Specialist and will be considered in submission of the unit in the grant application. Should significant deterioration occur between application and time the unit is scheduled for rehabilitation, the unit will be reevaluated for continued eligibility and a decision made whether to replace it with an alternate unit or to request a change in type of from rehabilitation (demolition, permanent relocation, etc.) to demolition and replacement in accordance with current CDBG program rules and availability of additional funds.

C. Cost Feasibility

~~As an additional means of guarding against program penalties for substantial reconstruction of a dwelling, the~~ The following total cost limits are applicable to all rehabilitation areas funded by CDBG, even if funds from other programs are contributed. The limits may be exceeded for rehabilitation demolition and replacement costs if the excess costs are paid by non-CDBG sources, but must be specifically approved by the Housing Division as exceeding the described limits.

\$75,000 per single family-detached home replacement

~~\$25,000~~ 50,000 per single family-detached house home rehabilitation

\$10,000 per single-wide mobile/manufactured home constructed in 1995 or earlier, or \$15,000 if constructed after 1995

\$15,000 per double-wide mobile/manufactured home constructed in 1995 or earlier, or \$25,000 if constructed after 1995

In addition, the cost of rehabilitation and improvements may not exceed the after-rehabilitation value of the dwelling. In the absence of conflicting information, the mobile home CDBG cost limits shall be assumed to meet this requirement. For site-built dwellings, the total cost of rehabilitation (plus other improvements, if any) may not exceed \$50 per square foot.

In order to provide consistency between the CDBG and SHIP programs, the CDBG cost limits include all direct costs associated with the rehabilitation or demolition and replacement. Examples include title search, survey, soil test, construction contract costs (including change orders), demolition and clearance, septic or public wastewater service, well or public water supply, and recording fees.

D. Suitability for Replacement

If the dwelling is not feasible for rehabilitation based upon the structural condition, or upon anticipated total cost or cost per square foot for rehabilitation, the dwelling will be considered for demolition and replacement if time and funds (both CDBG and other) are currently available. Eligibility for replacement requires, in addition to the normal requirements for rehabilitation, that the home be currently owned by the occupant (not a life estate or trust), and that the land meet applicable local requirements for new single family home construction. Examples of applicable local requirements include adequate size of the lot, legal access to the property, compliance with environmental regulations, suitable zoning, and availability of public utilities. If the land is located in a 100 year floodplain or has experienced flooding in the past, special approval of the replacement must be granted by the Board of County Commissioners.

VII. PROCEDURES

A. Application and Inspection

Each property owner who applies for rehabilitation assistance is initially screened to determine whether they are eligible for a 100% Deferred Payment Loan(DPL). A preliminary inspection is then conducted to determine feasibility of rehabilitation.

If either the owner or the structure does not meet eligibility requirements for program participation, the ~~Affordable~~ Housing Coordinator or Housing Director will reject the application. A written rejection notification will be sent to the owner within ten (10) days stating the reason for rejection.

If both the owner and the house appear to be eligible for the program participation, the application/verification process continues. A work write-up with a cost estimate is developed by the Housing Rehabilitation Specialist and approved by the property owner. The cost estimate for the job is considered confidential information until bid opening.

If special financing arrangements (such as the owner covering excessive costs or general property improvements) are required or anticipated, arrangements must be made at this point to prevent soliciting bids on a case that cannot be financed. When the case receives preliminary approvals, bids are solicited for the job.

B. Bidding

The bidding process shall follow the County's procurement policy, or the Division may elect to apply the following variation of policy:

1. All appropriately licensed contractors in Leon County may be notified that the County is implementing a housing rehabilitation program and soliciting qualified contractors. The County will conduct a contractor orientation meeting at which time the contractors will be briefed on the program in areas which involve construction (bidding, payment, federal requirements, inspections, etc.).
2. Homeowners will be shown the list of bidders for their contracts. If a homeowner has a serious objection to the potential of a particular contractor being awarded his/her contract, the Division of Health ~~Housing~~ and Human Services may authorize the contractor to be removed from the list of bidders for that contract. However, the homeowner's objection may not be based upon factors of race, color, sex, religion, national origin, familial status, disability or age.
3. In lieu of formal advertising, a letter of invitation to bid will be mailed to the eligible bidders as currently listed, pursuant to County procedures.
4. Appeals of any decision regarding bidding or eligibility shall be made in writing and received by the Purchasing Director within three days of the contested decision. All bid

protest issues shall follow the Protest Procedures in the Leon County Purchasing Policy. Vendor eligibility appeals shall be forwarded to the Procurement Appeals Board.

C. Contracting and Rehabilitation

The rehabilitation/replacement contract (Appendix C), which is executed between the homeowner and the contractor, and the DPL, which is executed between the homeowner and the Board of County Commissioners runs simultaneously with a three (3) day rescission period for both legal agreements. The DPL will be modified if needed to include any cost overruns at the completion of the contract.

Partial draws to the contractors, and other expenses associated with each application will be drawn from the County's general revenue fund. The County will issue a request for funds to DCA for repayment to the General Fund monthly or otherwise as appropriate.

The security instrument (mortgage and/or Agreement) and Notice of Commencement are recorded immediately. The costs associated with recording of the Agreement are included in the DPL.

The Notice to Proceed is issued to the contractor as soon as possible after the rescission period elapses. When temporary relocation of the occupants is required, the Notice to Proceed will be delayed until the house is vacated. The contract time of performance (generally 30-60 days) begins with issuance of the Notice to Proceed.

D. Inspections

Periodic inspections of the rehabilitation construction are performed by the local building inspector and the Housing Rehabilitation Specialist through the contract period. These inspections are conducted to assure compliance with the contract standards for workmanship and materials, to detect any unauthorized deviations and to identify necessary changes to the contract work in its early stages.

Inspection of the completed work must be conducted by the Housing Rehabilitation Specialist or the Housing Services Specialist and approved by the ~~Affordable~~ Housing Coordinator or Housing Division Director prior to the contractor's request for partial or final payment. The owner's approval of the work is also required when payment is requested.

E. Change Orders

Any additions to, deletions from, or changes in the rehabilitation contract work, time, or price must be approved in a written change order before the additional work is started. The change order is executed by the owner and contractor and is approved by the Housing Rehabilitation Specialist and the ~~Affordable~~ Housing Coordinator or Housing Division Director on behalf of the elected body. Change orders may be issued to correct code deficiencies or to obtain any other required change in the work. CDBG funds will only be for change orders that correct code violations or that are necessary in order to meet building code requirements.

F. Payment

Contracts of ~~\$10,0006,000~~ or less will not be paid until the contractor has completed the job and obtained a certificate of completion. Contracts of ~~\$10,0006000~~ or more request may provide one partial payment upon completion of 50% or more of the work with a 10% retainage held until completion. The approval of a partial payment requires the following documentation:

1. Approval of the work by the homeowner;
2. Inspection and agreement by program staff;
3. An affidavit from the contractor stating that either (a) there are no claims for unpaid goods and services connected with the job and all laborers, suppliers and subcontractors have received just compensation for their work up to the date of the request; or (b) a list of all unpaid parties and the amounts owed to each has been submitted with the request; and
4. Approval of all work to date by the County building inspection staff, Health Department or public utility or regulatory agency, if applicable.

Final payment approval requires the following:

1. Acceptance of all work, including clean up, by the property owner and the Division of Housing and Human Services (normally by the Rehabilitation Specialist);
2. Submission of all manufacturers' and other warranties, including a full one year warranty from the contractor;
3. Final waivers of liens from all subcontractors and suppliers, all parties who were unpaid when the contractor received partial payment and from any other party supplying notice;
4. A certificate of occupancy or completion or final approval from the building inspector, Health Department and other entities as applicable, to show compliance of the rehabilitation/replacement with the locally adopted and other applicable codes; and
5. An affidavit from the contractor stating that all bills have been paid and there are no claims for subcontracted jobs or materials.

If the owner refuses to authorize payment due to a dispute with the contractor, the Housing and Human Services Director or his/her designee may authorize disbursement without the owner's approval if the claim is shown to be without merit or inconsistent with the policies and goals of the program. Such disbursement shall only be issued after the Housing and Human Services Director has reviewed the facts and circumstances involved in the dispute and has determined that the owner's refusal to issue payment is without just cause. A record of all pertinent information shall be kept in the homeowner's file. The owner's right to stop work, the settlement of disputes and the termination of the contract shall be as authorized in the contract for rehabilitation.

G. Disputes and Contract Termination

Disputes, the owner's right to stop work, and termination of the contract by the owner or contractor shall be as authorized in the Contract for Rehabilitation.

H. Follow-Up

After completion of the contract, it is the owner's responsibility to notify the contractor in writing and provide a copy to the Housing ~~Division~~ program staff of any defect in the work or material. The owner is also requested to notify the Housing Rehabilitation Specialist or the ~~Affordable~~ Housing Coordinator of any complaints to the contractor so assistance in follow-up can be provided. If the contractor does not respond to the owner's written complaint within five working days and in a satisfactory manner, the ~~Affordable~~ Housing Coordinator will verify the complaint.

If the ~~Affordable~~ Housing Coordinator judges the complaint to be valid, he or she will send written request for warranty service to the contractor. The contractor will then take action and such action shall be monitored by the owner and the Housing Rehabilitation Specialist. Upon receiving notice from the owner that the complaint has been satisfied, the Housing Rehabilitation Specialist will inspect the work and make such note in the case file. Failure to resolve complaints in a timely manner shall be justification for removing a contractor from participation with the program.

**VIII. ANTI-DISPLACEMENT, TEMPORARY RELOCATION/DEMOLITION
RELOCATION**

It is the policy of Leon County that no household will be permanently displaced from their home from any program using CDBG funds, unless the displacement is through a voluntary program of demolition of dilapidated owner occupied dwellings with replacement dwellings provided. The CDBG program will not be involved in any displacement of renters or other forms of displacement of owners, either through acquisition, code enforcement, conversion to other uses, or other actions. Temporary displacement of homeowners participating in a voluntary housing rehabilitation/replacement program will occur, with provisions for assistance provided under this local policy.

Because there will be no displacement of renters, and no involuntary displacement of homeowners, the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) does not apply to the Leon County CDBG program. No provisions are made for payment of Uniform Act benefits. There will be no conversion of low to moderate income housing to other uses, and no demolition of low to moderate income housing units except through a voluntary owner occupied replacement dwelling program, if adopted by the County. One for one replacement requirements, if applicable, will be satisfied through the replacement program. The definition of standard, safe, decent and sanitary replacement dwellings is determined by local housing codes.

Temporary displacement of households is often required during the housing rehabilitation construction process, and may be necessary if demolition and replacement construction occur on the homeowner's property where there is not enough room to build next to the existing dwelling. The ~~Affordable~~ Housing Coordinator will determine the households that must be displaced based upon the extent and type of construction to be performed and the circumstances of the case, such as the presence of small children who could be endangered by remaining in the home during rehabilitation. The Coordinator or his/her designee will communicate the decisions to the

homeowners and obtain their cooperation and understanding of the situation prior to requesting bids for rehabilitation construction. The bidders' instructions will indicate whether or not the house will be fully or partially vacant during construction, and if so, for what length of time. **Costs for relocation prolonged due to contractors' delays shall be the responsibility of the contractor.**

Homeowners who are temporarily displaced at the order of the CDBG housing rehabilitation (or replacement, if applicable) program are eligible for relocation benefits. A moving and temporary displacement allowance of \$500 per household will be issued to homeowners who must vacate their homes, including moving out their furnishings. The purpose of this allowance is to pay for moving, storage, temporary housing, utility transfers, and other associated costs. The relocation allowance will be paid in one \$250 installment with the Notice to Vacate, and a second installment upon returning to the home.

In some cases the most efficient and cost-effective approach may be for the family to move out of the home for only a few days, leaving their furnishings in the home. In such cases, reasonably priced motel lodging (not to exceed \$70 per night per room for the minimum appropriate number of rooms for permanent household members) may be reimbursed with CDBG funds in lieu of the moving allowance. The number of nights shall be estimated by the ~~Affordable~~ Housing Coordinator, and agreed upon by the homeowner prior to Notice to Vacate. If the length of displacement can be decreased or must be lengthened due to construction delays, the homeowner will be notified of the change and the number of nights to be reimbursed will be adjusted accordingly.

The Coordinator may also approve additional temporary housing benefits for hardship cases, such as homeowners who have exhausted reasonable attempts to obtain affordable or free temporary housing and require CDBG funds to pay for all or a portion of their rental fee. The amount of money that may be issued will not exceed \$500 for this benefit (for a total assistance of \$1,000), and will be supported by invoices or receipts issued by persons not related to the homeowner.

When the rehabilitation projects are approved for construction, the Coordinator will issue a Notice to Vacate to each homeowner as applicable. Homeowners will confirm their move-out dates with the coordinator or his/her designee. The coordinator will also issue each displaced homeowner a Notice to Return upon completion of construction, or sooner if appropriate.

Homeowners who move back prior to approval from the Coordinator or his/her designee may forfeit all or a portion of their relocation payment if their return causes disruption to the construction process. No payment of temporary housing benefits for periods of time beyond the Notice to Return will be approved.

The County does not force any households to vacate their homes, although their voluntary participation in the housing rehabilitation program may require such action. Therefore, the Uniform Act provisions do not apply to participants of this program.

Demolition may be used in the rehabilitation program when a home is dilapidated and not suitable for rehabilitation based on the structural integrity or cost feasibility criteria. Owner-occupied units that fall into this category may be authorized for replacement by the County's contract with DCA or other HUD/SHIP program. The replacement home would be located on

the same site as the original dwelling. ~~Homeowner eligibility requirements are the same as for rehabilitation.~~

IX. CONTRACTOR ELIGIBILITY

In order to participate in the Housing Rehabilitation Program, a contractor must be certified as eligible by the State of Florida Contractor Licensing Board ~~and by the Florida Department of Community Affairs.~~

Basic contractor qualifications include:

1. Current license(s) with the State and County;
2. A satisfactory record regarding complaints filed against the contractor at the state, federal or local level;
3. Insurance: \$100,000/\$300,000 coverage for contractor's public liability (including accidental death and bodily injury), or \$300,000 comprehensive coverage and \$100,000 coverage of property damage (in addition to bodily injury), with a certificate of insurance from the insurer guaranteeing ten (10) day notice to the Housing Administrator before discontinuing coverage. Workman's Compensation, as applicable, is also required;
4. A satisfactory credit record, including:
 - (A) references from two (2) suppliers who have done business with the contractor involving credit purchases; and
 - (B) references from three (3) subcontractors who have subcontracted with the contractor; and
 - (C) the ability to finance rehabilitation contract work so all bills are paid before requesting final payment;
5. Satisfactory references from at least three (3) parties for whom the contractor has done construction;
6. Absence from any list of debarred contractors issued by the Federal or state DOL, HUD or DCA;

The Purchasing Director, or his/her designee, will assure that credit and past performance of the contractor are satisfactory based upon readily available information, and reserves the right to check any reliable source in establishing such determination.

The Purchasing Director, or his/her designee will explain the contractor's obligations under Federal Equal Opportunity regulations and other contractual obligations at the pre-bid conference. Program procedures, such as bidding and payment are also explained to the

contractor. The contractor must submit a Section 3 Plan along with other documentation required.

No contractor will be awarded more than one bid unless and until he or she has satisfactorily completed one contract with the current housing rehabilitation program, or unless the County has adequate evidence from a similar situation to verify the contractor's abilities to satisfactorily complete and finance multiple rehabilitation projects on schedule. An exception to this may be made in the initial bid package if an insufficient number of contractors participate in the bidding, but the Division shall withhold the notice to proceed on the contracts as applicable.

No contractor may have more than five contracts at one time.

If a contractor's performance on a current or recent contract is unsatisfactory (such as poor quality work, nonpayment of bills for labor or materials, behind schedule, abusive to owner/staff), the Housing Division shall withhold some or all contract awards as the Housing Division may deem appropriate to the situation. The Housing Division may also debar the contractor from program participation if determined appropriate, which may be appealed to the Purchasing Director.

No contractor may participate in the program if included in a local, state or federal list of debarred contractors which would be applicable to the program, or if the contractor fails to meet any eligibility criteria such as federal equal opportunity compliance, insurance, or licensing.

B. Disqualification

Contractors may be prohibited or removed from program participation for:

1. Poor workmanship, or use of inferior materials;
2. Evidence of bidding irregularities such as low balling, bid rigging, collusion, kickbacks, and any other unethical practice;
3. Failure to abide by the work write-up, failure to complete work write-up (and bid) accomplishments, and any attempts to avoid specific tasks in attempts to reduce costs;
4. Failure to pay creditors, suppliers, laborers or subcontractors promptly and completely;
5. Disregarding contractual obligations or program procedures;
6. Loss of license(s), insurance or bonding;
7. Lack of reasonable cooperation with owners, rehabilitation staff or the others involved in the work;
8. Abandonment of a job;

9. Failure to complete work in a timely manner;
10. Inability or failure to direct the work in a competent and independent manner;
11. Failure to honor warranties;
12. Ineligibility to enter into federally or state assisted contracts as determined by the U.S. Secretary of Labor, HUD or DCA or other state agencies with jurisdiction;
13. Other just cause that would expose the Program or owner to unacceptable risk;
14. At the contractor's request.

For procedures of disqualifications contractor, see Section 15 (Authorization to Debar or Suspend Vendors) of the County's Purchasing Policy.

XI. APPEALS/COMPLAINTS

The Housing Services Specialist and the ~~Affordable~~ Housing Coordinator are authorized by the County to make all determinations of eligibility for assistance and level of assistance, scheduling of rehabilitation, demolition and relocation, and contract management. Citizens and/or contractors should issue complaints to the ~~Affordable~~ Housing Coordinator or the Housing Division Director. For a complaint to be considered valid, it must be issued in writing within a period of 30 days of its occurrence. Responses also must be issued in writing.

If the complainant is not satisfied with the ~~Affordable~~ Housing Coordinator/~~Housing~~ Division Director's response, the issue must be presented in writing to the CDBG Citizen Advisory Task Force (CATF). If the complaint cannot be resolved by the CATF, the County's governing body will review the grievance and make a decision based upon program regulation, local policies, and availability of funds. Further appeals, if necessary, must be addressed to the Florida Department of Community Affairs.

XII. PROGRAM INCOME

No program income is planned to result from this program. Deferred Payment Loans will be monitored by the ~~Housing Services Specialist and the Affordable~~ Housing Coordinator during the CDBG period of agreement. After the expiration of the agreement between the County and the State, the monitoring will be performed by the governing body.

If repayment of a DPL or program income is received during the CDBG agreement period, it will be used for additional rehabilitation or returned to the Department of Community Affairs, as directed by DCA. Payments received after the grant close out will be returned to the Department of Community Affairs.

XIV. RECORD KEEPING FOR CASE FILES AND CLOSEOUT

Leon County shall document the completion of construction by ensuring that each housing unit case file shall contain the following information:

- A. A statement from the contractor that all items on the initial work write-up as modified through change orders have been completed;
- B. An acknowledgment that the housing unit meets the applicable local code and Section 8 Housing Quality Standards, signed and dated by the local building inspector or the local government's housing rehabilitation specialist;
- C. A signed statement by the housing unit owner or his or her representative that the work has been completed based on the work write-up and change orders. Should all requirements be fulfilled and the homeowner or their representative refuse to acknowledge completion of the work, the housing unit case file shall be documented with a statement detailing the stated reason for said refusal;
- D. This documentation shall be completed prior to the submission of the administrative closeout package; and
- E. The following data will be provided by housing unit and summarized for each activity providing direct benefit (i.e., housing rehabilitation, temporary relocation, hookups, etc.):
 - Addresses of each housing unit rehabilitated with CDBG funds, the date the construction was completed on the housing unit, and the amount of CDBG funds spent on that housing unit;
 - Whether the household is headed by a female, the number of handicapped persons in the household, the number of elderly persons in the household, and the LMI or VLI status of the household;
 - The number of occupants in the household, categorized by sex; and
 - The racial demographics of the household by number (White, Black, Hispanic, Asian/Pacific Islander, Hasidic Jew, or American Indian/Alaskan Native).

Approved by the Leon County Board of County Commission on the ____ day of _____, _____ 2002.

LEON COUNTY, FLORIDA

BY: _____
Jane Sauls, Chairman
Board of County Commissioners

ATTEST:
BOB INZER, CLERK OF THE COURT
LEON COUNTY, FLORIDA

By:

APPROVED AS TO FORM:
LEON COUNTY ATTORNEY'S OFFICE

By:

Herbert W.A. Thiele, Esq.
County Attorney